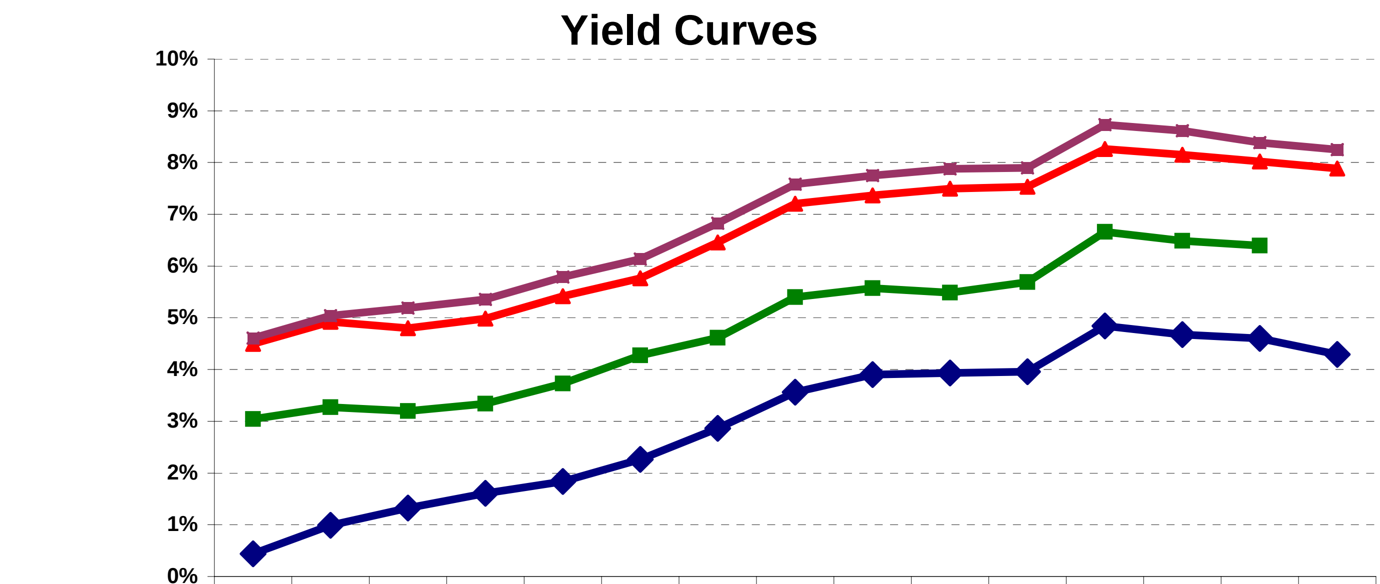
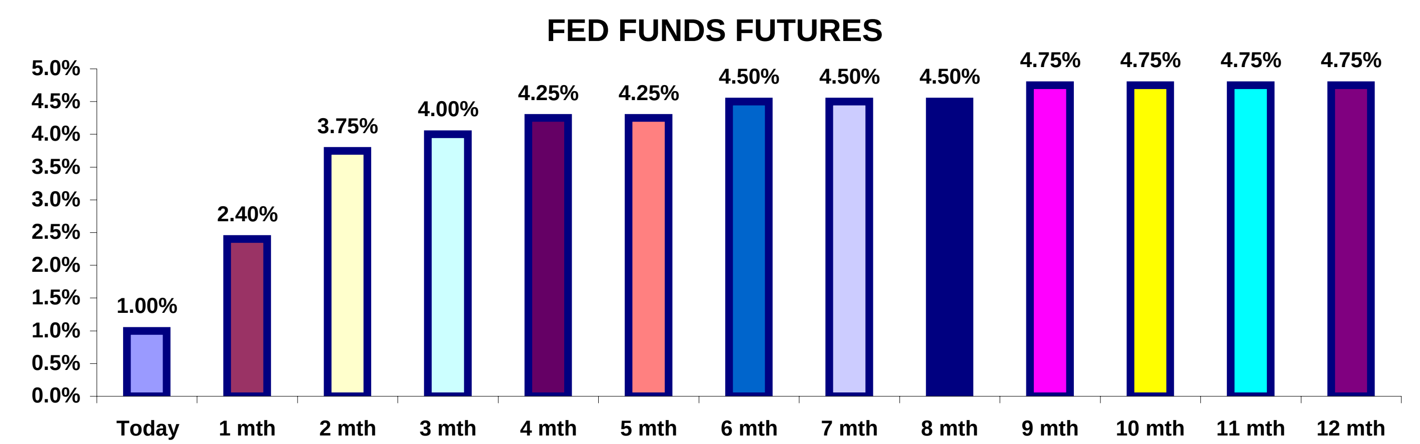
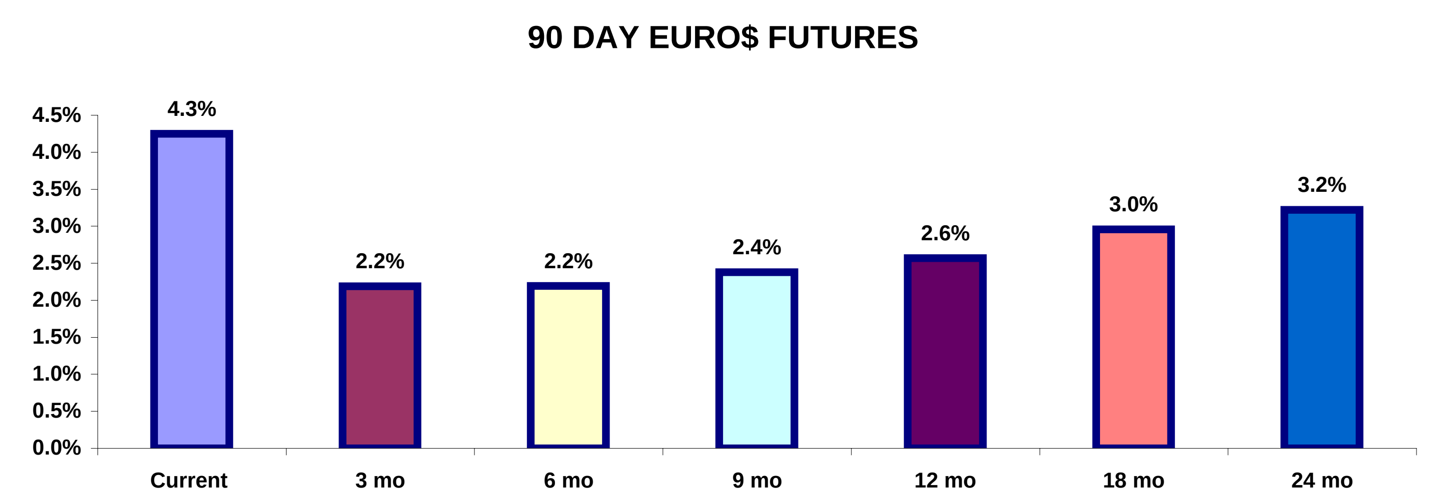
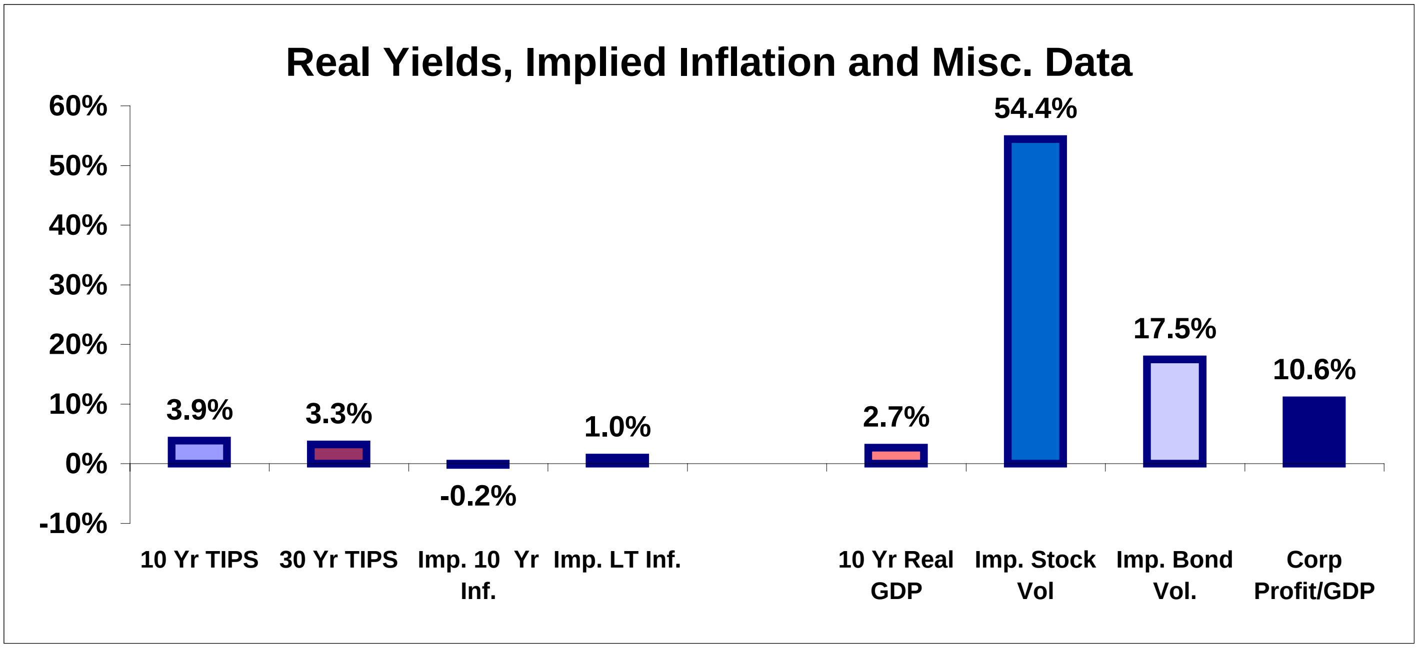
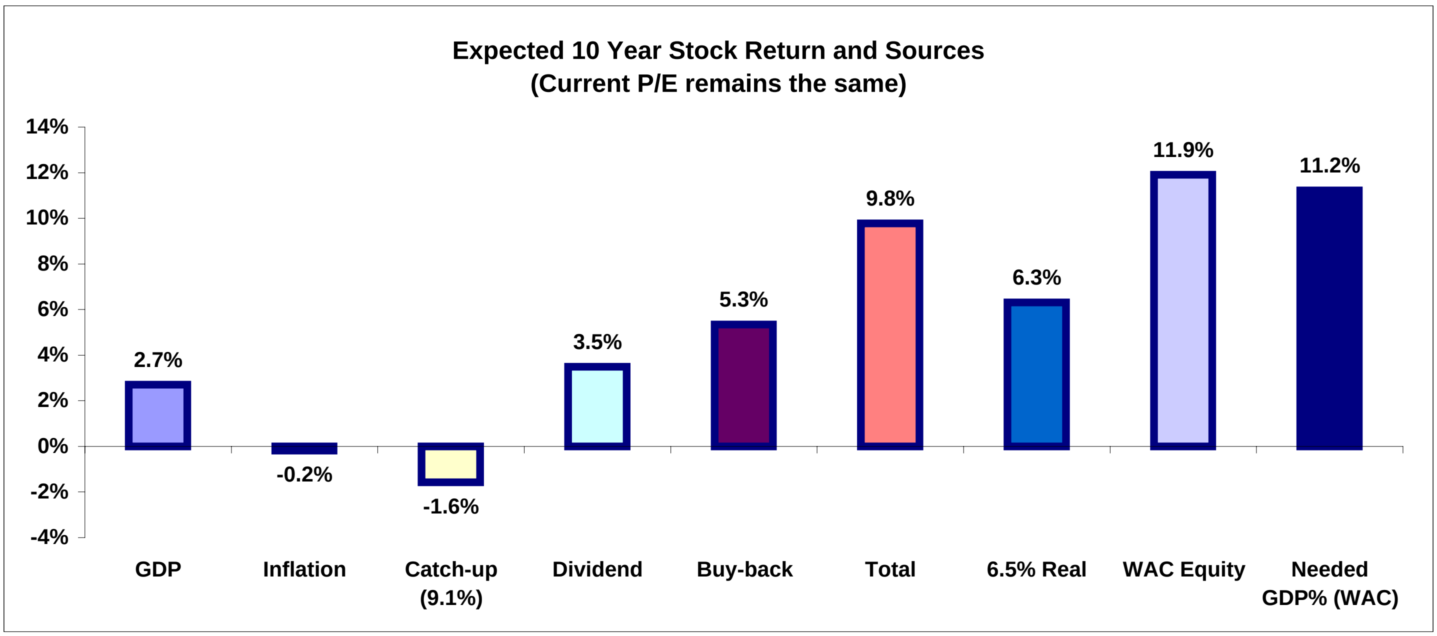


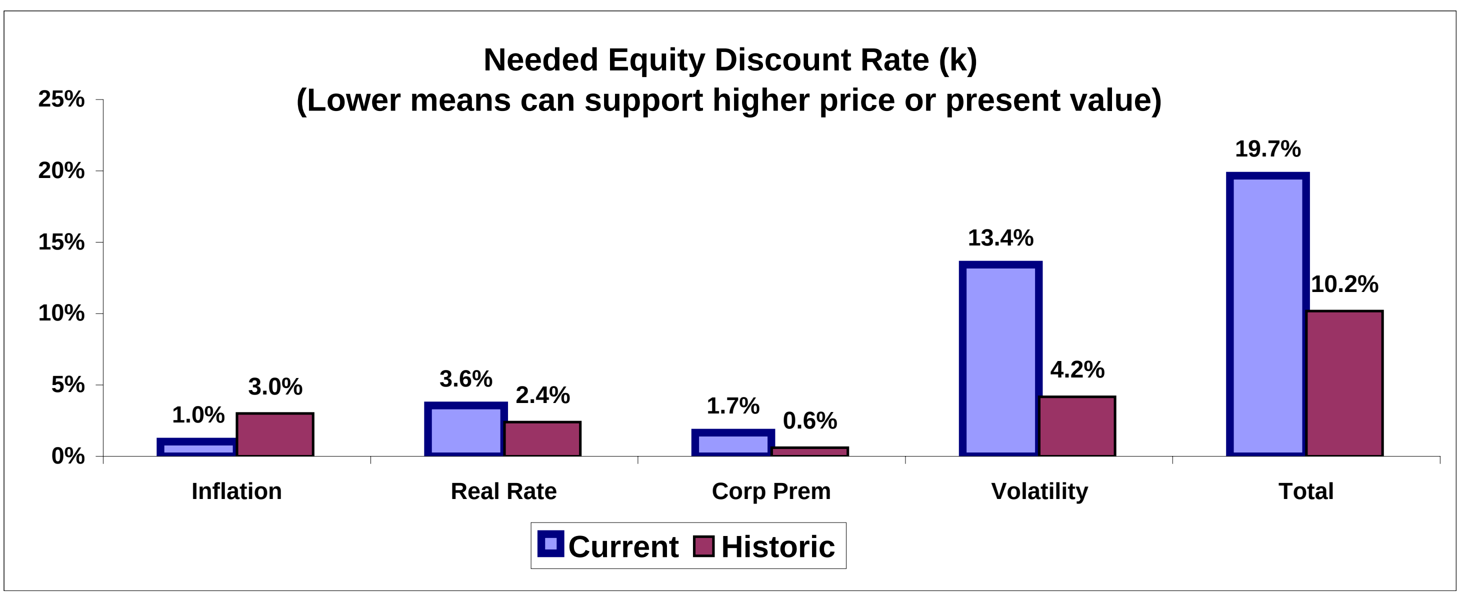
	3 M	6M	1Y	2Y	3Y	4Y	5Y	7Y	8Y	9Y	10Y	15Y	20Y	25Y	30Y
Government	0.4%	1.0%	1.3%	1.6%	1.8%	2.3%	2.9%	3.6%	3.9%	3.9%	4.0%	4.8%	4.7%	4.6%	4.3%
AAA Ind	3.0%	3.3%	3.2%	3.3%	3.7%	4.3%	4.6%	5.4%	5.6%	5.5%	5.7%	6.7%	6.5%	6.4%	
A1 Ind	4.5%	4.9%	4.8%	5.0%	5.4%	5.8%	6.5%	7.2%	7.4%	7.5%	7.5%	8.3%	8.1%	8.0%	7.9%
BBB Ind	4.6%	5.0%	5.2%	5.4%	5.8%	6.1%	6.8%	7.6%	7.8%	7.9%	7.9%	8.7%	8.6%	8.4%	8.3%

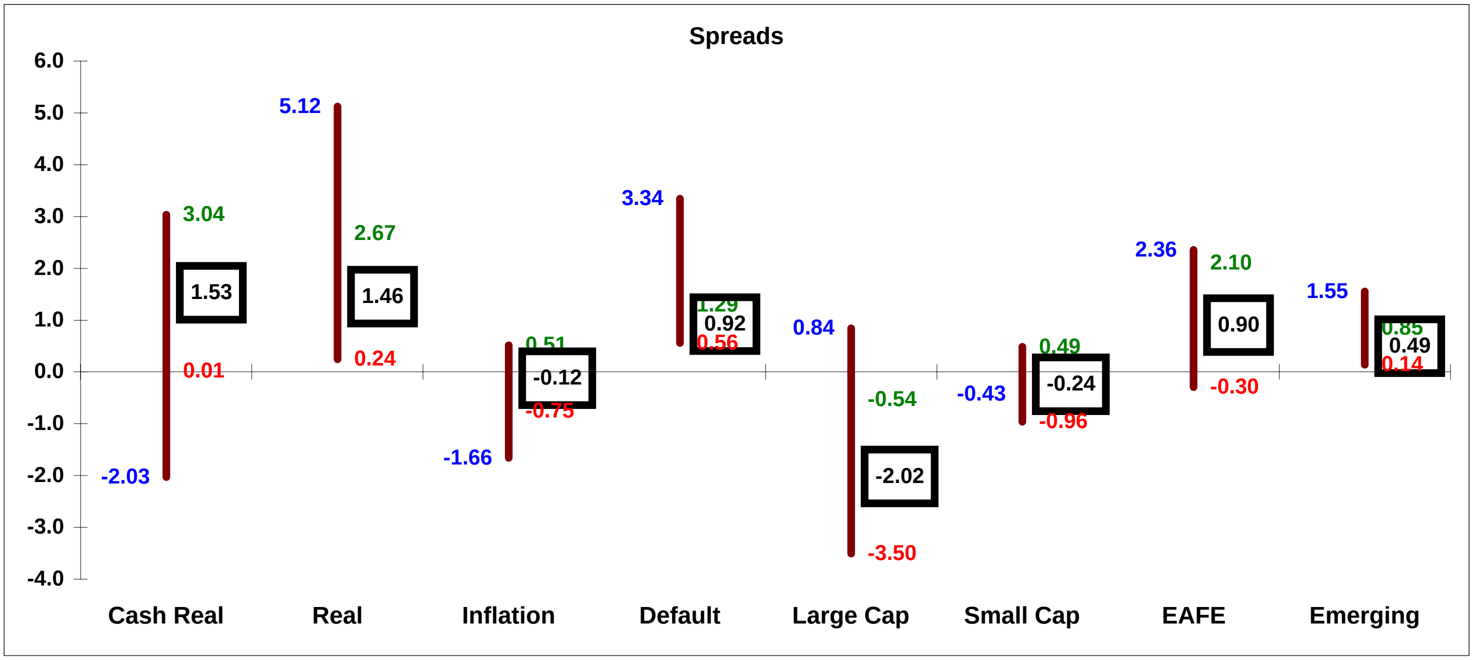


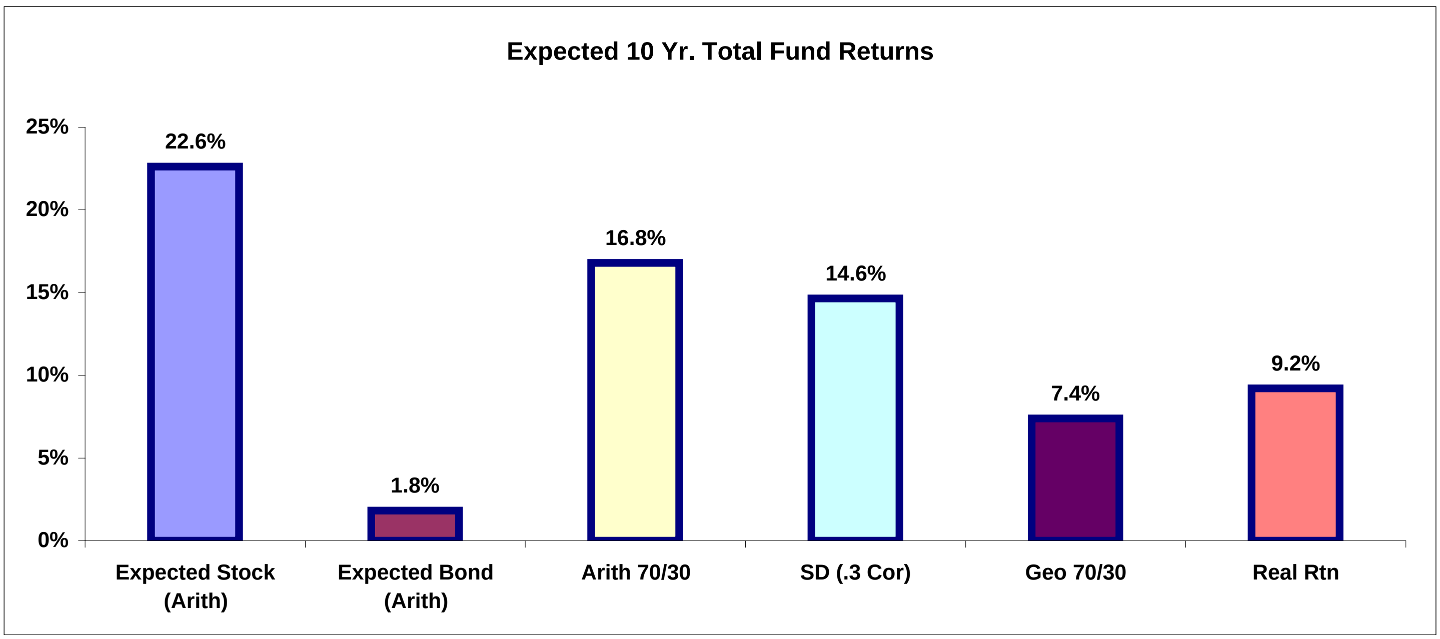


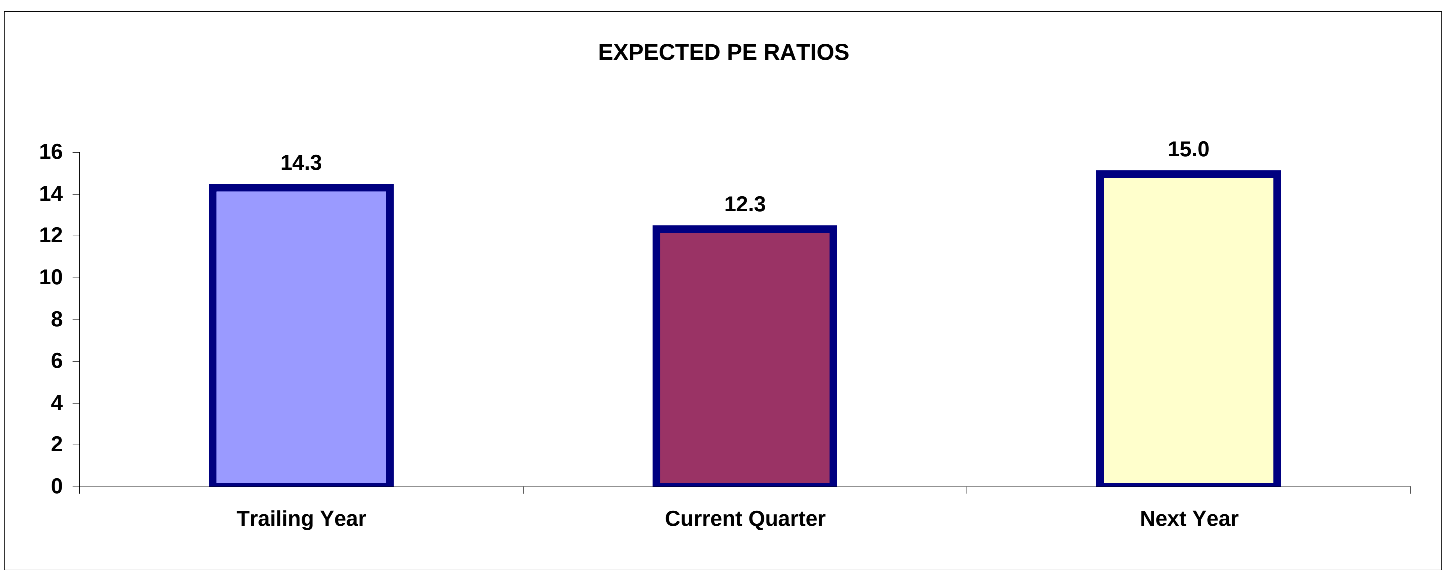

Real Yields, Implied Inflation and Misc. Data
60%
50%
40%
30%
20%
10%
0%
-10%
3.9%
3.3%
-0.2%
1.0%
2.7%
54.4%
17.5%
10.6%
10 Yr TIPS
30 Yr TIPS
Imp. 10 Yr Inf.
Imp. LT Inf.
10 Yr Real GDP
Imp. Stock Vol
Imp. Bond Vol.
Corp Profit/GDP

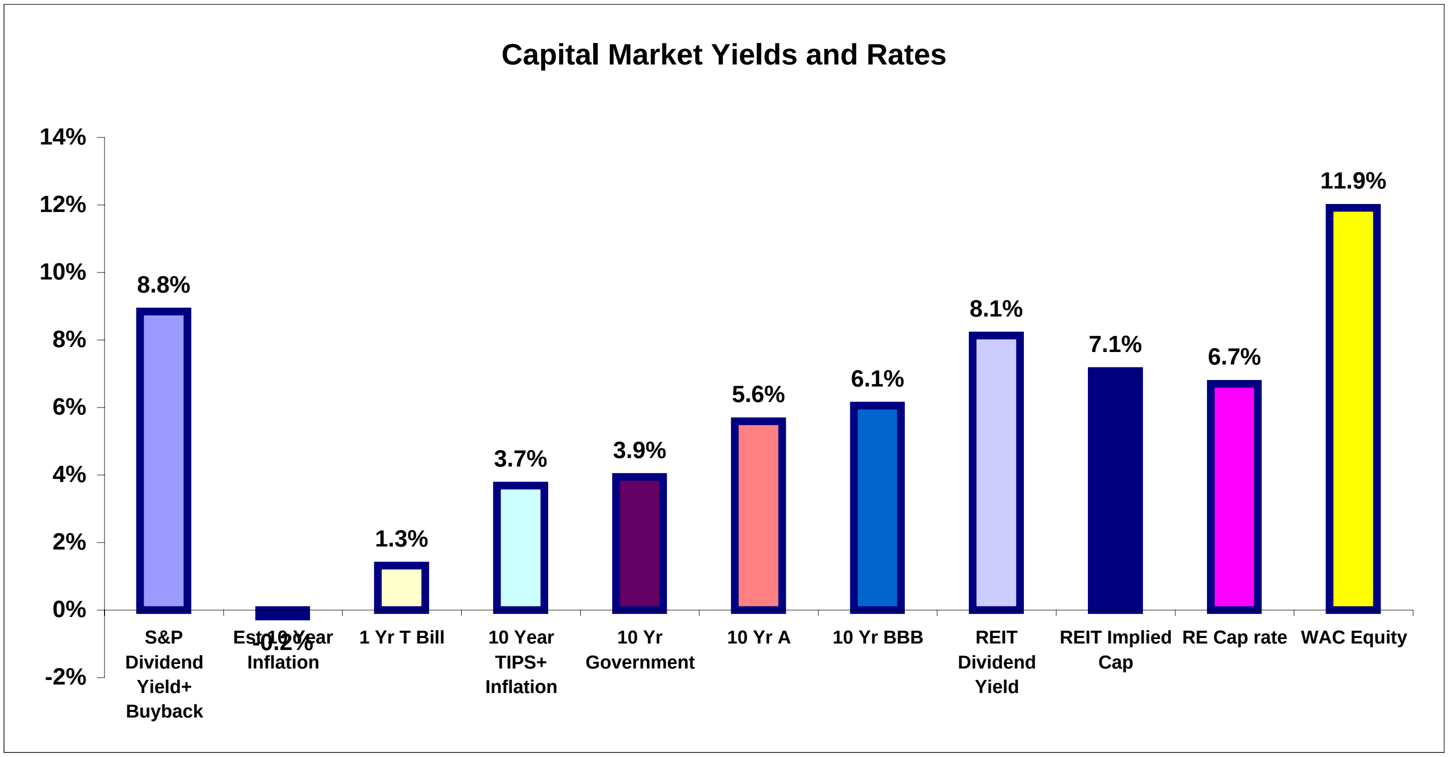

Expected 10 Year Stock Return and Sources
(Current P/E remains the same)
14%
12%
10%
8%
6%
4%
2%
0%
-2%
-4%
2.7%
-0.2%
-1.6%
3.5%
5.3%
9.8%
6.3%
11.9%
11.2%
GDP
Inflation
Catch-up (9.1%)
Dividend
Buy-back
Total
6.5% Real
WAC Equity
Needed GDP% (WAC)


Needed Equity Discount Rate (k)
(Lower means can support higher price or present value)
25%
20%
15%
10%
5%
0%
1.0%
3.0%
3.6%
2.4%
1.7%
0.6%
13.4%
4.2%
19.7%
10.2%
Inflation
Real Rate
Corp Prem
Volatility
Total
Current
Historic

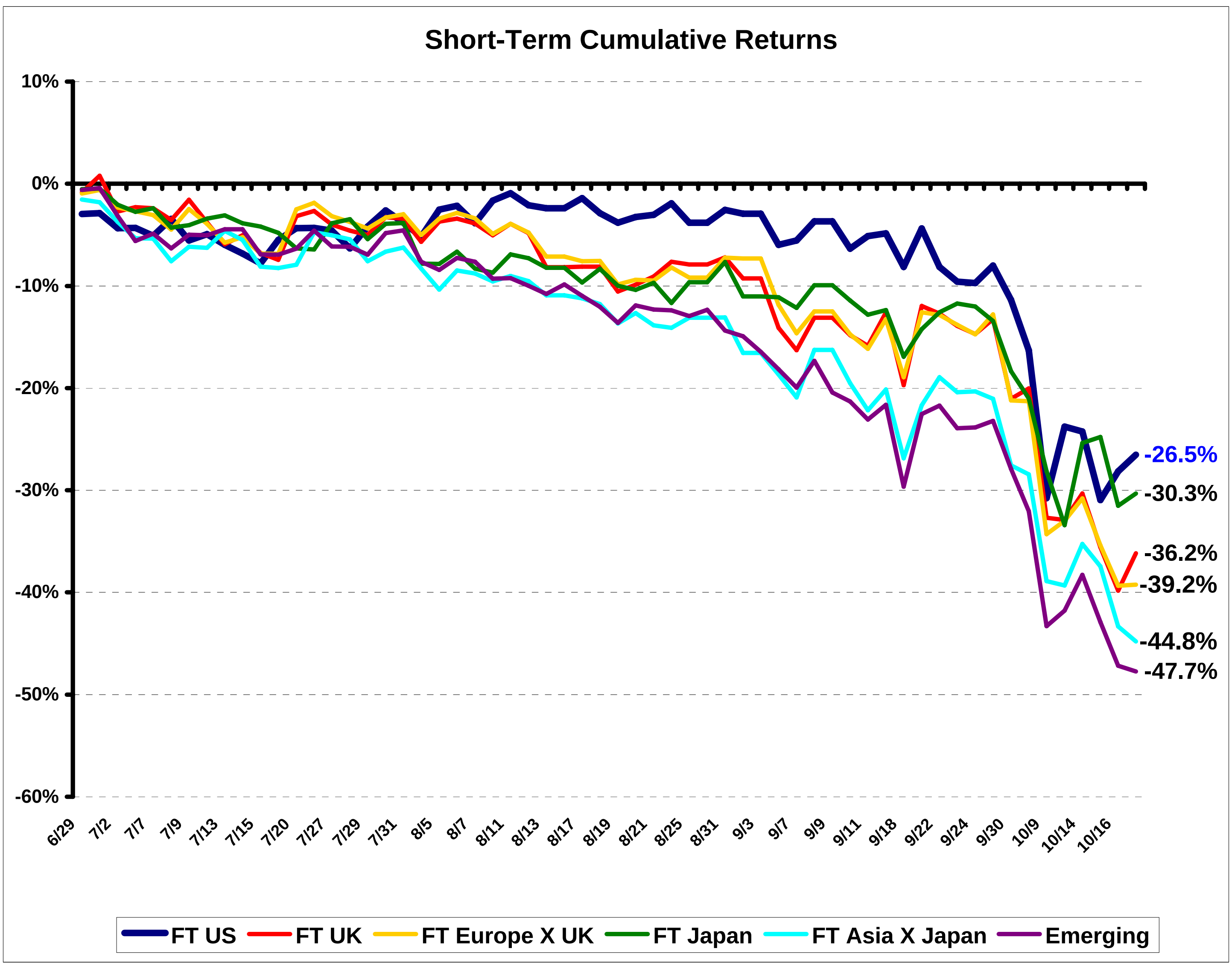

Spreads
6.0
5.0
4.0
3.0
2.0
1.0
0.0
-1.0
-2.0
-3.0
-4.0
-2.03
3.04
1.53
0.01
5.12
2.67
1.46
0.24
-1.66
0.51
-0.12
-0.75
3.34
1.29
0.92
0.56
0.84
-0.54
-2.02
-3.50
-0.43
0.49
-0.24
-0.96
2.36
2.10
0.90
-0.30
1.55
0.85
0.49
0.14
Cash Real
Real
Inflation
Default
Large Cap
Small Cap
EAFE
Emerging


Expected 10 Yr. Total Fund Returns
25%
20%
15%
10%
5%
0%
22.6%
1.8%
16.8%
14.6%
7.4%
9.2%
Expected Stock (Arith)
Expected Bond (Arith)
Arith 70/30
SD (.3 Cor)
Geo 70/30
Real Rtn


EXPECTED PE RATIOS
16
14
12
10
8
6
4
2
0
14.3
12.3
15.0
Trailing Year
Current Quarter
Next Year



Capital Market Yields and Rates
14%
12%
10%
8%
6%
4%
2%
0%
-2%
8.8%
-0.2%
1.3%
3.7%
3.9%
5.6%
6.1%
8.1%
7.1%
6.7%
11.9%
S&P Dividend Yield+ Buyback
Est 10 Year Inflation
1 Yr T Bill
10 Year TIPS+ Inflation
10 Yr Government
10 Yr A
10 Yr BBB
REIT Dividend Yield
REIT Implied Cap
RE Cap rate
WAC Equity



Short-Term Cumulative Returns
10%
0%
-10%
-20%
-30%
-40%
-50%
-60%
-26.5%
-30.3%
-36.2%
-39.2%
-44.8%
-47.7%
6/29
7/2
7/7
7/9
7/13
7/15
7/20
7/27
7/29
7/31
8/5
8/7
8/11
8/13
8/17
8/19
8/21
8/25
8/31
9/3
9/7
9/9
9/11
9/18
9/22
9/24
9/30
10/9
10/14
10/16
FT US
FT UK
FT Europe X UK
FT Japan
FT Asia X Japan
Emerging

		(billions)	% GDP	Range - Low	Average	High	1 SD
Current GDP (QoQ Annual)	***$***	***14,429.20***	**-0.3%**	-7.9% (1980)	**3.4%**	16.3% (1978)	3.70%
Corporate Profits	***$***	***1,533.30***	**10.6%**	6.0% (1982)	**9.1%**	13.0% (1950)	1.47%
After tax Profits	***$***	***1,343.20***	**9.3%**	3.1% (1986)	**5.6%**	7.6% (1978)	
S&P Earnings (trailing Yr)	***$***	***532.34***	**3.7%**				
S&P Earnings (current qtr)	***$***	***-***	**0.0%**				
Wages and salaries	***$***	***6,635.60***	**46.0%**	36.6% (1993)	**40.1%**	42.9% (1959)	1.39%

WACC	***9.6%***	**ROE on Book**	***19.9%***	
WAC Equity	***11.9%***	**Current P/E**	***12.3***	
WAC Debt	***4.5%***	**Dividend Yield**	***3.5%***	3.5%
Debt to Capital	***31%***	**Share Repurchase**	***5.3%***	(SPX)
Price/EBITDA	***#DIV/0!***	**Payout ratio**	***33.0%***	
Price/Book	***1.9***	**Trailing PE**	***21.4***	

Fixed Income

		Fed funds		**90 Day Euro$ Yields**	
10 Yr Government	***3.9%***	**Today**	*1.00%*	**Current**	*4.3%*
10Y Volatility	***17.5%***	**1 mth**	*2.40%*	**3 mo**	*2.2%*
10 Yr TIPS	***3.9%***	**2 mth**	*3.75%*	**6 mo**	*2.2%*
10 Yr A Corporate	***5.6%***	**3 mth**	*4.00%*	**9 mo**	*2.4%*
10 Yr BBB Corporate	***6.1%***	**4 mth**	*4.25%*	**12 mo**	*2.6%*
20 Yr Government	***4.7%***	**5 mth**	*4.25%*	**18 mo**	*3.0%*
20 Yr AA Corporate	***5.7%***	**6 mth**	*4.50%*	**24 mo**	*3.2%*
30 Yr Government	***4.3%***	**7 mth**	*4.50%*		
30 Yr A Corporate	***8.1%***	**8 mth**	*4.50%*		
30 Yr TIPS	***3.3%***	**9 mth**	*4.75%*		
LT Bond Volatility	***17.5%***	**10 mth**	*4.75%*		
		11 mth	*4.75%*		
Implied Inflation LT	***1.0%***	**12 mth**	*4.75%*		
Implied 10 Yr Inflation	***-0.2%***				

Equity

	P/E Ratio		EPS
Trailing Year	***14.3***	***$***	***2.63***
This Year	***12.3***	***$***	***2.67***
Next Year	***15.0***	***$***	***3.11***
Dividend Yield	***3.5%***		
Share repurchase Yield	***5.3%***		
Payout ratio (Bloomberg)	***33%***		
LT (5 Year) growth	***9.9%***	***$***	***-***

Growth Estimates		
LT (5 Year) growth	***9.9%***	
Next Year	***16.6%***	***16.6%***
	Gross	***After Tax***
Implied % of GDP at 5th Year	14.9%	13.0%

RE Cap Rate (Transac	6.7%
REIT cap Rate	7.1%
REIT Div	8.1%

10 Yr Rtns	**Current**	**Historic**
Exp. 10 Yr Geo Rtn	***9.3%***	***9.3%***
Volatility (VIX)	***54.4%***	***21.0%***
Exp 10 Yr. Arith Rtn	***22.6%***	***11.3%***
Exp. 10 Yr Bond Rtn	***1.8%***	***1.8%***
10 Yr Bnd Volatility	***17.5%***	***6.0%***
70-30 return	***16.8%***	***8.4%***
70-30 SD (.3 Cor)	***40.0%***	***14.6%***
70-30 Geo Rtn	***9.6%***	***7.4%***
Real return	***11.4%***	***9.2%***
Assumed 10 yr Real GDP		***2.7%***

FACTORS

Recovery Continues at Moderate Pace

GDP Real Growth QOQ (annualized)	-0.30%					
	MOM	YOY	Apr-02			
Leading Economic Indicators (% change)	0.3%	-3.0%	11.0%	*High*	*Average*	*Low*
ISM Manufacturing	38.9		53.9	57.5 (12/99)	51.5	43.2 (3/01)
ISM Non-manufacturing	52.1		55.3	62.1 (10/97)	56.3	40.5 (10/01)

Inflation Stays Under Control

Inflation QOQ (annualized)	4.10%

Consumer Spending Remains Healthy

Consumer Spending QOQ (annualized)	-3.10%				
Real Consumer Spending (annualized)	-7.20%	Apr-02	High	Avg	Low
University of Michigan Survey	57.6	93	107.3 (6/99	92.6	65.5 (12/90)

Tech and Telecom Do Not Drive Recovery

S&P 1500 since 4/30/02	-7.6%
NASDAQ 100 since 4/30/02	5.3%
NASDAQ Telecom since 4/30/02	13.9%
NASDAQ Computer since 4/30/02	-2.1%

Emerging Markets strong, Japan weak, Europe moderate

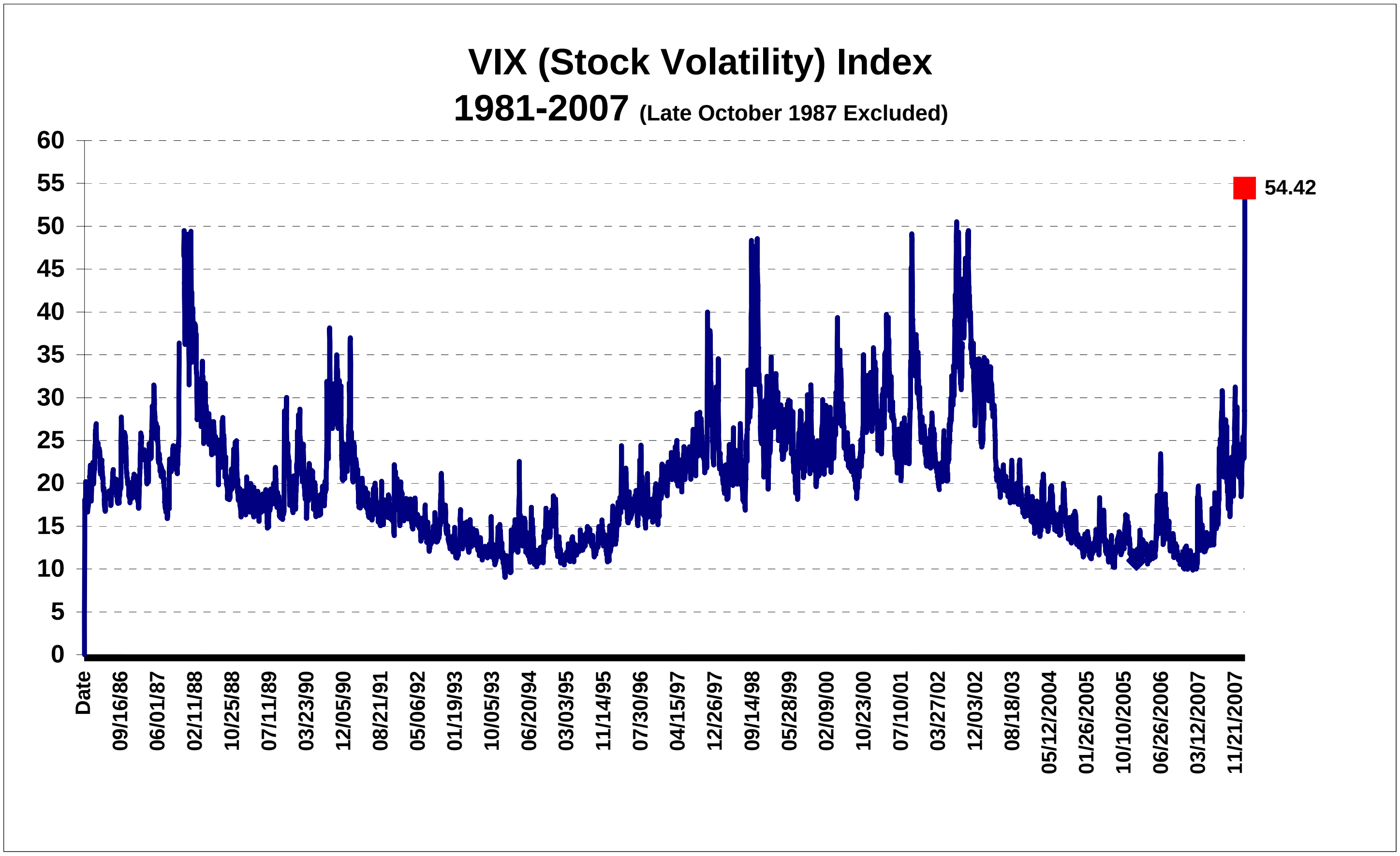
EAFE returns since 4/30/02	6.73%
Europe	31.35%
Asia	28.43%
Japan since 4/30/02	13.08%
Emerging Markets since 4/30/02	61.69%

Corporate Spreads Narrow	Spread	High	Average	Low
10 Year A over Government on 4/30/02	1.60%	2.18% (1/01	1.31%	0.67% (8/97)
Current 10 Year A over Government	1.65%			
		High	Average	Low
30 Year A over Government on 4/30/02	1.88%	3.33% (10/8	1.49%	0.64% (5/84)
Current 30 Yr A over Government	3.72%			
		High	Average	Low
10 Year BBB over A on 4/30/02	0.80%	1.13% (1/02	0.57%	0.16% (11/97)
Current 10 Year BBB over A	0.47%			

Fed Policy Expected to be Benign		Current	Expected Level
Expected 12 month tightening on 4/30/02	0.75%	1.75%	2.50%
Current expected 12 month tightening	3.75%	1.00%	4.75%

US $ Moderate Weakness against Euro and Pound		$ vs currency
Japan ($ % change since 4/30/02)	99.1	-22.9%
UK	1.58	-7.9%
Euro	1.27	-29.0%

US Productivity Continues at 2% - 2.5% or above		High	Average	Low
Nonfarm Productivity Increase QOQ	4.3%	9.9% (6/83)	1.7%	-5.0% (3/93)
Nonfarm Productivity Increase YOY	3.4%	5.3% (9/83	1.6%	-2.2% (3/82)



	w/o 10/87	With 10/87
Average Volatility	*21.3*	*21.6*
St. Deviation	*7.1*	*8.3*
Minimum	*9.1*	*9.1*
Maximum	*50.1*	*150*